



DEPARTMENT OF STATE

[Public Notice: 11546]

Bureau of Political-Military Affairs; Rescission of Statutory Debarment of Dennis Haag Under the International Traffic in Arms Regulations

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State has rescinded the statutory debarment of Dennis Haag included in Federal Register notice of April 25, 2018.

FOR FURTHER INFORMATION CONTACT: Jae Shin, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State (202) 632-2107.

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the Arms Export Control Act (AECA), 22 U.S.C. 2778(g)(4), prohibits the issuance of licenses or other approvals for the export of defense articles or defense services where the applicant, or any party to the export, has been convicted of violating § 38 of the AECA or certain other U.S. criminal statutes enumerated in § 38(g)(1) of the AECA. In addition, § 127.7(b) of the International Traffic in Arms Regulations (ITAR) provides for the statutory debarment of any person who has been convicted of violating or conspiring to violate the AECA. As stated in this provision, it is the policy of the Department not to consider applications for licenses or requests for approvals involving any person who has been statutorily debarred. Persons subject to statutory debarment are prohibited from participating directly or indirectly in any activities that are subject to the ITAR.

Mr. Dennis Haag pleaded guilty to violating § 38 of the AECA, and the Department notified the public of the resulting statutory debarment imposed pursuant to ITAR 127.7(c) via notice on April 25, 2018 (83 FR 18112). The notice provided that he

and other debarred persons were “prohibited from participating directly or indirectly in activities that are regulated by the ITAR.”

In accordance with ITAR 127.7(b), reinstatement may only be approved after submission of a request by the debarred party. In response to such a request from the debarred person for reinstatement, the Department has conducted a thorough review of the circumstances surrounding his conviction and has determined that he has taken appropriate steps to address the causes of the violations sufficient to warrant rescission of his statutory debarment. Therefore, pursuant to ITAR 127.7(b), the Department determines it is no longer in the national security and foreign policy interests of the United States to maintain the policy as applied to Mr. Dennis Haag, and the Department hereby rescinds the notice of his statutory debarment.

The Department notes that the Federal Register notice of debarment for the debarred party stated that “Department of State policy permits debarred persons to apply to the Director, Office of Defense Trade Controls Compliance, for reinstatement beginning one year after the date of the debarment. Any decision to grant reinstatement can be made only after the statutory requirements of Section 38(g)(4) of the AECA have been satisfied.” (See 83 FR 18112). The Department is no longer requiring that export privileges be reinstated pursuant to ITAR 127.11 and § 38(g)(4) of the AECA prior to the rescission of statutory debarment. This change in policy recognizes that the circumstances warranting statutory debarment may be different from those warranting the revocation of export privileges. The Department may find, as it does in this instance, that the national security and foreign policy interests of the United States are not advanced by maintaining the Department-imposed ITAR 127.7(b) prohibition on persons convicted of violating or conspiring to violate the AECA from “participating directly or indirectly in any activities that are subject to the ITAR” and where the debarred person may not meet

the requirements of ITAR 127.11(b) (implementing the restrictions of § 38(g)(4) of the AECA).

This notice rescinds the statutory debarment of Dennis Haag but does not provide notice of reinstatement of export privileges pursuant to the statutory requirements of § 38(g)(4) of the AECA and ITAR 127.11. As required by the statute, the Department may not issue a license directly to any debarred persons except as may be determined on a case-by-case basis after interagency consultations, a thorough review of the circumstances surrounding the conviction, and a finding that appropriate steps have been taken to mitigate any law enforcement concerns. Any determination by the Department regarding the reinstatement of export privileges with respect to any debarred persons will be made in accordance with the statutory and regulatory requirements and will be the subject of a separate notice. All otherwise eligible persons may engage in exports of defense articles manufactured by him, or that incorporate any of his manufactured items into defense articles for export, or otherwise engage in transactions subject to the ITAR without providing prior written notification of his involvement as otherwise required by ITAR 127.1(d) and the transaction exception requirements of the Federal Register notice of statutory debarment.

Timothy Betts,

Acting Assistant Secretary,

Bureau of Political-Military Affairs.